

PORT AUTHORITIES

40:68A-1. Short title

This act shall be known and may be cited as the "Port Authorities Law."

P.L. 1948, c. 349, § 1, eff. Sept. 1, 1948.

40:68A-2. Declaration of public interest and policy of state

It is hereby declared to be in the public interest and to be the policy of the State to foster and promote by all reasonable means the welfare of the citizens thereof by the proper establishment and development of port facilities of the State.

P.L. 1948, c. 349, § 2, eff. Sept. 1, 1948.

40:68A-3. Definitions

As used in this act, unless a different meaning clearly appears from the context:

(1) "Municipality" shall mean any city of any class, any borough, village, town, township, or any other municipality other than a county or a school district;

(2) "Governing body" shall mean the commission, council, board or body, by whatever name it may be known, having charge of the finances of the municipality;

(3) "Person" shall mean any person, association, corporation, nation, State or any agency or subdivision thereof, municipality of the State or a port authority;

(4) "Port authority" shall mean a public body created pursuant to section four of this act;

(5) "District" shall mean the area within the territorial boundaries of the municipality or municipalities which created or joined in the creation of a port authority;

(6) "Local unit" shall mean any municipality which created or joined in the creation of a port authority;

(7) "Port facilities" shall mean harbor, port and shipping facilities of all kinds, including, but not limited to, harbors, channels, turning basins, anchorage areas, jetties, breakwaters, waterways, canals, locks, tidal basins, wharves, docks, piers, slips, bulkheads, public landings, warehouses, terminals, refrigerating and cold storage plants, terminal railway facilities, rolling stock car ferries, tugs, boats, conveyors and appliances of all kinds for the handling, storage, inspection and transportation of freight and the handling of passenger traffic; airport facilities of all kinds for land and sea planes, including, but not limited to, landing fields, hangars, shops, buses, trucks and all other facilities for the landing, taking off, servicing, and repairing and parking of aircraft, and the loading and unloading and handling of passengers, mail, express and freight; exhibition halls and markets; administration buildings; tunnels; causeways and bridges; and shall include all property, rights, easements and franchises relative to any such

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facilities and deemed necessary or convenient for the acquisition, construction or operation thereof.

(8) "Cost" shall mean, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of port facilities and of all or any property, rights, easements and franchises deemed by a port authority to be necessary or useful and convenient therefor, including reimbursements to the port authority or any municipality or other person of any moneys theretofore expended for the purposes of the port authority and including interest or discount on bonds to finance such cost, engineering and inspection costs and legal expenses, the cost of financial, professional and other advice, and the cost of issuance of any such bonds;

(9) "Real property" shall mean lands both within and without the State, and improvements thereof or thereon, or any rights or interests therein;

(10) "Construct" and "construction" shall connote and include acts of construction, reconstruction, replacement, extension, improvement and betterment of port facilities;

(11) "Ordinance" means a written act of the governing body of a municipality adopted and otherwise approved and published in the manner or mode of procedure prescribed for ordinances tending to obligate such municipality pecuniarily; and

(12) "Resolution" means a written act of the governing body of a local unit adopted and otherwise approved in the manner or mode of procedure prescribed for resolutions tending to obligate such local unit pecuniarily.

(13) "Bonds" shall mean bonds or other obligations issued pursuant to this act.

P.L. 1948, c. 349, § 3, eff. Sept. 1, 1948.

40:68A-4. Port authority; creation by municipalities; membership, filing of ordinances and resolutions

(a) The governing body of any municipality may, by ordinance duly adopted, create a public body corporate and politic under the name and style of "the port authority" with all or any significant part of the name of such municipality inserted. Said body shall consist of the five members thereof, who shall be appointed by resolution of the governing body as hereinafter in this section provided, and it shall constitute the port authority contemplated and provided for in this act and an agency and instrumentality of said municipality. After the taking effect of such ordinance and the filing of a certified copy thereof as in subsection (c) of this section provided, five persons shall be appointed as the members of the port authority. The members first appointed shall, by the resolution of appointment, be designated to serve for terms respectively expiring on the first days of the first, second, third, fourth and fifth Februarys next ensuing after the date of their appointment. On or after the first day of January in each year after such first appointments, one person shall be appointed as a member of the port authority to serve for a term commencing on the first day of February in such year and expiring on the first day of February in the fifth year after such year. In the event of a vacancy in the

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membership of the port authority occurring during an unexpired term of office, a person shall be appointed as a member of the port authority to serve for such unexpired term.

(b) The governing bodies of any two or more municipalities, the areas of which together comprise an integral body of territory, may, by parallel ordinances duly adopted by each of such governing bodies within any single calendar year, create a public body corporate and politic under the name and style of "the port authority" with all or any significant part of the name of each such municipality or some identifying geographical phrase inserted. Said body shall consist of the members thereof, in an aggregate number determined as hereinafter in this subsection provided, who shall be appointed by resolutions of the several governing bodies as hereinafter in this section provided, and it shall constitute the port authority contemplated and provided for in this act and an agency and instrumentality of the said municipalities. The number of members of the port authority to be appointed at any time for full terms of office by the governing body of any such municipality shall be as may be stated in said ordinances which shall be not less than one nor more than three. After the taking effect of the said ordinances of all such municipalities and after the filing of certified copies thereof as in subsection (c) of this section provided, the appropriate number of persons shall be appointed as members of the port authority by the governing body of each municipality. The members first appointed or to be first appointed shall serve for terms expiring on the first day of the fifth February next ensuing after the date of the first appointment of any member. On or after the first day of January in the year in which expire the terms of the said members first appointed and in every fifth year thereafter, the appropriate number of persons shall be appointed as members of the port authority by the governing body of each municipality, to serve for terms commencing on the first day of February in such year and expiring on the first day of February in the fifth year after such year. In the event of a vacancy in the membership of the port authority occurring during an unexpired term of office, a person shall be appointed as a member of the port authority to serve for such unexpired term by the governing body which made the original appointment for such unexpired term.

(c) A copy of each ordinance for the creation of a port authority adopted pursuant to this section, duly certified by the appropriate officer of the local unit, shall be filed in the office of the Secretary of State. Upon proof of such filing of a certified copy of the ordinance or of certified copies of the parallel ordinances for the creation of a port authority as aforesaid, the port authority therein referred to shall, in any suit, action or proceeding involving the validity or enforcement of, or relating to, any contract or obligation or act of the port authority, be conclusively deemed to have been lawfully and properly created and established and authorized to transact business and exercise its powers under this act. A copy of any such certified ordinance, duly certified by or on behalf of the Secretary of State, shall be admissible in evidence in any suit, action or proceeding.

(d) A copy of each resolution appointing any member of a port authority adopted pursuant to this section, duly certified by the appropriate officer of the local unit, shall be filed in the office of the Secretary of State. A copy of such certified resolution, duly

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certified by or on behalf of the Secretary of State, shall be admissible in evidence in any suit, action or proceeding and, except in a suit, action or proceeding directly questioning such appointment, shall be conclusive evidence of the due and proper appointment of the member or members named therein.

(e) No governing body which may create or join in the creation of a port authority pursuant to this section shall thereafter create or join in the creation of any other port authority, nor shall any new port authority be created within an existing port district as heretofore established by the Legislature.

P.L. 1948, c. 349, § 4, eff. Sept. 1, 1948.

40:68A-5. Members of port authority; powers; terms; expenses; officers, agents and authorities; civil service

(a) The powers of a port authority shall be vested in the members thereof in office from time to time. A majority of the entire authorized membership of a port authority shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the port authority at any meeting of the members thereof by vote of a majority of the members present, unless in any case the bylaws of the port authority shall require a larger number. The port authority may delegate to one or more of its officers, agents or employees such powers and duties as it may deem proper.

(b) Each member of a port authority shall hold office for the term for which he was appointed and until his successor has been appointed and has qualified.

(c) No member, officer or employee of a port authority shall have or acquire any interest, direct or indirect, in the port facilities or in any property included or planned to be included in the port facilities or in any contract or proposed contract for materials or services to be furnished to or used by the port authority, but neither the holding of any office or employment in the government of any municipality or under any law of the State nor the owning of any property within the State shall be deemed a disqualification for membership in or employment by a port authority. A member of a port authority may be removed only by the governing body by which he was appointed and only for inefficiency or neglect of duty or misconduct in office and after he shall have been given a copy of the charges against him and, not sooner than 10 days thereafter, had opportunity in person or by counsel to be heard thereon by such governing body.

(d) A port authority may reimburse its members for necessary expenses incurred in the discharge of their duties. The ordinance or parallel ordinances for the creation of a port authority may provide that the members of the port authority may receive compensation for their services within an annual and other limitations to be stated in such ordinance or parallel ordinances, and in that event, each member may receive from the port authority such compensation for his services as the port authority may determine within the limitations stated in such ordinance or parallel ordinances. No member of any

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port authority shall receive any compensation for his services except as provided in this subsection.

(e) Every port authority, upon the first appointment of its members and thereafter on or after the first day of February in each year, shall annually elect from among its members a chairman and a vice-chairman who shall hold office, until the first day of February next ensuing and until their respective successors have been appointed and have qualified. Every port authority may also appoint and employ a secretary and such professional and technical advisers and experts and such other officers, agents and employees as it may require, and it shall determine their qualifications, duties and compensation.

(f)(1) Whenever the governing body of the municipality, or the governing bodies of two or more municipalities, which established the port authority have adopted the provisions of Title 11 of the Revised Statutes, all positions and employments of the port authority shall be subject to the provisions of Title 11 of the Revised Statutes and shall be allocated to appropriate titles by the Civil Service Commission. (2) The Civil Service Commission shall provide the port authority with a list of the positions and employments allocated to the classified service and the appropriate titles. Within 30 days of the receipt of the list, the port authority shall certify to the Civil Service Commission, the names of all those persons employed with the port authority in the allocated positions and employments on the effective date of this act. After passing a qualifying examination, the employees so certified shall be recorded, under the appropriate titles, as having been permanently appointed in the classified service of civil service as of the date of their original appointment. Thereafter, the employees shall be under and subject to the provisions of Title 11 of the Revised Statutes.

Persons appointed and employed by the port authority after the effective date of this act shall be subject to the civil service examination and appointment procedures of Title 11 of the Revised Statutes.

P.L. 1948, c. 349, § 5, eff. Sept. 1, 1948. Amended by L.1984, c. 116, § 1, eff. Aug. 3, 1984.

40:68A-6. Acquisition of property

Every port authority is hereby authorized and directed, subject to the limitations of this act, to acquire, in its own name but for the local unit or units, by purchase, gift, condemnation or otherwise, and, notwithstanding the provisions of any charter, ordinance or resolution of any county or municipality to the contrary, to construct, maintain, operate and use such plants, works, structures, property and conveyances, as in the judgment of the port authority will provide an effective and satisfactory method for promoting the purposes of the port authority.

P.L. 1948, c. 349, § 6, eff. Sept. 1, 1948.

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40:68A-7. Port authority as political subdivision; powers

Every port authority shall be a public body politic and corporate constituting a political subdivision of the State established as an instrumentality exercising public and essential governmental functions to provide for the public welfare and shall have perpetual succession and have the following powers:

- (1) To adopt and have a common seal and to alter the same at pleasure;
- (2) To sue and to be sued;
- (3) In the name of the port authority and on its behalf, to acquire, hold, use and dispose of its service charges and other revenues and other moneys;
- (4) In the name of the port authority but for the local unit or units, to acquire, hold, use and dispose of other personal property for the purposes of the port authority;
- (5) In the name of the port authority but for the local unit or units, to acquire by purchase, gift, condemnation or otherwise, real property and easements therein, necessary or useful and convenient for the purposes of the port authority, and subject to mortgages, deeds of trust or other liens, or otherwise and to hold and to use the same, and to dispose of property so acquired no longer necessary for the purposes of the port authority;
- (6) To provide for and secure the payment of any bonds and the rights of the holders thereof, and to purchase, hold and dispose of any bonds;
- (7) To accept gifts or grants of real or personal property, money, material, labor or supplies for the purposes of the port authority, and to make and perform such agreements and contracts as may be necessary or convenient in connection with the procuring, acceptance or disposition of such gifts or grants;
- (8) To enter on any lands or premises for the purposes of the port authority;
- (9) To make and enforce bylaws or rules and regulations for the management and regulation of its business and affairs and for the use, maintenance and operation of the port facilities and any other of its properties, and to amend the same;
- (10) To do and perform any acts and things authorized by this act under, through or by means of its own officers, agents and employees, or by contracts with any persons; and
- (11) To enter into any and all contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the port authority or to carry out any power expressly given in this act subject to P.L.1971, c. 198 "Local Public Contracts Law" (C. 40A:11-1 et seq.).

P.L. 1948, c. 349, § 7, eff. Sept. 1, 1948. Amended by L.1975, c. 96, § 14, eff. May 16, 1975.

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40:68A-7.1. Audit of accounts of port authority annually; filing

It shall be the duty of every "port authority, " created pursuant to the act to which this act is a supplement, to cause an annual audit of the accounts of the authority to be made and filed with the authority, and for this purpose the authority shall employ a registered municipal accountant of New Jersey or a certified public accountant of New Jersey. The audit shall be completed and filed with the authority within four months after the close of the fiscal year of the authority and a certified duplicate copy thereof shall be filed with the Director of the Division of Local Government in the Department of the Treasury within five days after the original report is filed with the authority.

P.L. c. 305, p. 1022, § 1, eff. June 12, 1952.

40:68A-7.2. Certified copies of bond resolutions and bond proceedings; filing

Every such "port authority" shall file a certified copy of every bond resolution as finally passed with the Director of the Division of Local Government in the Department of the Treasury and in addition shall file a certified copy of all bond proceedings with the said director.

P.L. 1952, c. 305, § 2, eff. June 12, 1952.

40:68A-8. Service charges

(a) Every port authority is hereby authorized to charge and collect rents, rates, fees or other charges (in this act sometimes referred to as "service charges") for its services and facilities.

(b) Such rents, rate, fees and charges, being in the nature of use or service charges, shall as nearly as the port authority shall deem practicable and equitable be uniform throughout the district for the same type, class and amount of use or service of the port facilities.

(c) The port authority shall prescribe and from time to time when necessary revise a schedule of such service charges, which in any event shall be such that the revenues of the port authority will at all times be adequate to pay all expenses of operation and maintenance of the port facilities, including reserves, insurance, extensions, and replacements, and to pay punctually the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract of the port authority or as may be deemed necessary or desirable by the port authority. Said schedule shall thus be prescribed and from time to time revised by the port authority after public hearing thereon which shall be held by the port authority at least seven days after such published notice as the port authority may determine to be reasonable. The port authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and

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payable and may require that such service charges shall be paid in advance for periods of not more than one year. A copy of such schedule or service charges in effect shall be filed with such Federal agencies requiring filing of tariffs and rates and shall be filed with the Secretary of State of the State of New Jersey and at all times be kept on file at the principal office of the port authority and shall at all reasonable times be open to public inspection.

P.L. 1948, c. 349, § 8, eff. Sept. 1, 1948.

40:68A-9. Appropriations by local units

Any local unit shall have power, in the discretion of its governing body, to appropriate moneys for the purposes of the port authority, and to loan or donate such moneys to the port authority in such installments and upon such terms as may be agreed upon between such local unit and the port authority.

P.L. 1948, c. 349, § 9, eff. Sept. 1, 1948.

40:68A-10. Revenue bonds

Revenue bonds may be authorized to be issued under this act to provide funds for the construction, acquisition, repair, improvement or extension of such port facilities, or for the refunding of any bonds theretofore issued for such purposes. The purposes for which such revenue bonds may be issued shall include the payment to the local unit or local units of the reasonable value of any properties or facilities deemed necessary or desirable for the purposes of the port authority, and such port authorities are hereby authorized to purchase and acquire such properties or facilities from such local unit or local units.

Such revenue bonds shall be authorized by resolution of the port authority which may be adopted at the same meeting at which it is introduced by a majority of all the members thereof then in office, shall take effect immediately and need not be published or posted. Such revenue bonds may bear interest at such rate or rates, not exceeding six per centum (6%) per annum, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding forty years from their respective dates, may be payable in such medium of payment at such place or places, may carry such registration privileges, may be subject to such terms of redemption with or without premium, may be executed in such manner, may contain such terms, covenants and conditions, and may be in such form, either coupon or registered, as such resolution or subsequent resolution may provide. Such revenue bonds may be sold, all at one time or in blocks from time to time, at public or private sale, or if refunding bonds may also be delivered in exchange for the outstanding obligations to be refunded thereby, in such manner as the port authority shall determine by resolution, and at such price or prices, computed according to standard tables of bond values, as will yield to the purchasers or the holders of the obligations surrendered in exchange, income at a rate not exceeding six per centum (6%)

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per annum to the maturity dates of the several bonds so sold or exchanged on the money paid or the principal amount of obligations surrendered therefor to the port authority.

P.L. 1948, c. 349, § 10, eff. Sept. 1, 1948.

40:68A-11. Interim certificates; temporary bonds or other instruments

After sale of any revenue bonds pursuant to this act, the port authority shall have power to authorize the execution and issuance to the purchasers, pending the preparation of the definitive bonds, of interim certificates therefor or of temporary bonds or other temporary instruments exchangeable for the definitive bonds when prepared, executed and ready for delivery. The holders of such interim certificates, temporary bonds or other temporary instruments shall have all the rights and remedies which they would have as holders of the definitive bonds.

P.L. 1948, c. 349, § 11, eff. Sept. 1, 1948.

40:68A-12. Notice as to time for bringing actions questioning validity

Any port authority may cause to be published in a newspaper published in the district a notice stating the date of adoption of such bond resolution, the amount and maturities of the bonds authorized to be issued, and also stating that any action or proceeding of any kind or nature in any court questioning the validity of the creation and establishment of the port authority, or the validity or proper authorization of bonds provided for by the bond resolution, or the validity of any covenants, agreements or contracts provided for by the bond resolution shall be commenced within twenty days after the first publication of such notice. If no such action or proceedings shall be commenced or instituted within twenty days after the first publication of such notice, then all residents and taxpayers and owners of property in the district and users of the port facilities and all other persons whatsoever shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court, or from pleading any defense to any action or proceeding, questioning the validity of the creation and establishment of the port authority, the validity or proper authorization of such bonds, or the validity of any such covenants, agreements or contracts, and said bonds, covenants, agreements and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

P.L. 1948, c. 349, § 12, eff. Sept. 1, 1948.

40:68A-13. Negotiability of bonds or obligations

Any provision of any law to the contrary notwithstanding any bond or other obligation issued pursuant to this act shall be fully negotiable within the meaning and for all purposes of the law merchant and negotiable instruments law of the State, and each

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holder or owner of such a bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said law merchant and negotiable instruments law.

P.L. 1948, c. 349, § 13, eff. Sept. 1, 1948.

40:68A-14. Provisions of bond resolutions

Any bond resolution of a port authority providing for or authorizing the issuance of any bonds may contain provisions, and such port authority, in order to secure the payment of such bonds and in addition to its other powers, shall have power by provision in the bond resolution to covenant and agree with the several holders of such bonds, as to:

- (1) The custody, security, use, expenditure or application of the proceeds of the bonds;
- (2) The construction and completion, or replacement, of all or any part of the port facilities;
- (3) The use, regulation, operation, maintenance, insurance or disposition of all or any part of the port facilities, or restrictions on the exercise of the powers of the port authority to dispose, or to limit or regulate the use, of all or any part of the port facilities;
- (4) Payment of the principal of or interest on the bonds, or any other obligations, and the sources and methods thereof, the rank or priority of any such bonds or obligations as to any lien or security, or the acceleration of the maturity of any such bonds or obligations;
- (5) The use and disposition of any moneys of the port authority, including revenues derived or to be derived from the operation of all or any part of the port facilities, including any parts thereof theretofore constructed or acquired and any parts, extensions, replacements or improvements thereof thereafter constructed or acquired;
- (6) Pledging, setting aside, depositing or trusteeing all or any part of the revenues or other moneys of the port authority to secure the payment of the principal of or interest on the bonds or any other obligations, or the payment of expenses of operation or maintenance of the port facilities, and the powers and duties of any trustee with regard thereto;
- (7) The setting aside out of the revenues or other moneys of the port authority of reserves and sinking funds, and the source, custody, security, regulation, application and disposition thereof;
- (8) The rents, rates, fees, or other charges for the services and use of the port facilities, including any parts thereof theretofore constructed or acquired and any parts, extensions, replacements or improvements thereof thereafter constructed or acquired, and the fixing, establishment, collection and enforcement of the same, the amount or amounts

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of revenues to be produced thereby, and the disposition and application of the amounts charged or collected;

(9) The assumption or payment or discharge of any indebtedness, liens or other claims relating to any part of the port facilities or any obligations having or which may have a lien on any part of the revenues;

(10) Limitations on the issuance of additional bonds or any other obligations or on the incurrence of indebtedness of the port authority;

(11) Vesting in a trustee or trustees such property, rights, powers and duties in trust as the port authority may determine which may include any or all the rights, powers and duties of the trustee appointed by the holders of bonds pursuant to section seventeen of this act, and limiting or abrogating the right of such holders to appoint a trustee pursuant to section fifteen of this act or limiting the rights, duties and powers of such trustee;

(12) Payment of costs or expenses incident to the enforcement of the bonds or of the provisions of the bond resolution or of any covenant or contract with the holders of the bonds;

(13) The procedure, if any, by which the terms of any covenant or contract with, or duty to, the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given or evidenced; or

(14) Any other matter or course of conduct which, by recital in the bond resolution, is declared to further secure the payment of the principal of or interest on the bonds.

All such provisions of the bond resolution and all such covenants and agreements shall constitute valid and legally binding contracts between the port authority and the several holders of the bonds, regardless of the time of issuance of such bonds, and shall be enforceable by any such holder or holders by mandamus or other appropriate action, suit, or proceeding at law or in equity in any court of competent jurisdiction.

P.L. 1948, c. 349, § 14, eff. Sept. 1, 1948.

40:68A-15. Default in payment of bonds; trustees; appointment; powers; receiver

In the event that there shall be a default in the payment of principal of or interest on any bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the Port Authority shall fail or refuse to comply with the provisions of this act or shall fail or refuse to carry out and perform the terms of any contract with the holders of any of such bonds, and such failure or refusal shall continue for a period of thirty days after written notice to the Port Authority of its existence and nature, the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds of such series then outstanding, by instrument or instruments filed in the office of the Secretary of State and proved or

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acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds of such series for the purposes provided in this section, and to have the powers provided in this section.

(a) Such trustee may and upon written request of the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds of such series then outstanding shall, in his or its own name:

(1) By an action or proceeding in a court of competent jurisdiction, enforce all rights of the holders of such bonds, including the right to require the Port Authority to charge and collect service charges adequate to carry out any contract as to, or pledge of, revenues, and to require the Port Authority to carry out and perform the terms of any contract with the holders of such bonds or its duties under this act;

(2) Bring an action upon all or any part of such bonds or interest coupons or claims appurtenant thereto;

(3) By an action require the Port Authority to account as if it were the trustee of an express trust for the holders of such bonds.

(4) By an action enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; or

(5) Declare all such bonds due and payable whether or not in advance of maturity, upon thirty days' prior notice in writing to the Port Authority, and if all defaults shall be made good, then with consent of the holders of twenty-five per centum (25%) of the principal amount of such bonds then outstanding, annul such declaration and its consequences.

(b) Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of the functions specifically set forth herein or incident to the general representation of the holders of bonds of such series in the enforcement and protection of their rights.

(c) In any action or proceeding by such trustee, the fees, counsel fees and expenses of the trustee and of the receiver, if any, appointed pursuant to this act, may be allowed by the court as taxable costs and disbursements or otherwise and all costs and disbursements, when so allowed, shall be a first charge upon any service charges and revenues of the Port Authority pledged for the payment or security of bonds of such series.

(d) Such trustee, upon such default referred to in this section, whether or not all of the bonds of such series shall have been declared due and payable, shall be entitled as of right to the appointment of a receiver of the port facilities, and such receiver may enter upon and take possession of the port facilities and, subject to any pledge or contract with the holders of such bonds, shall take possession of all moneys and other property derived from or applicable to the acquisition, construction, operation, maintenance or reconstruction of the port facilities and proceed with such acquisition, construction, operation, maintenance or reconstruction which the Port Authority is under any obligation to do, and operate, maintain and reconstruct the port facilities and fix, charge,

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collect, enforce and receive the service charges and all revenues thereafter arising subject to any pledge thereof or contract with the holders of such bonds relating thereto and perform the public duties and carry out the contracts and obligations of the Port Authority in the same manner as the Port Authority itself might do and under the direction of the court.

P.L. 1948, c. 349, § 15. Amended by L.1953, c. 37, § 236, eff. March 19, 1953.

40:68A-16. Personal liability on bonds; not debt or liability of state or local unit

Neither the members of the port authority nor any person executing bonds issued pursuant to this act shall be liable personally on the bonds by reason of the issuance thereof. Bonds or other obligations issued pursuant to this act shall not be in any way a debt or liability of the State, and bonds or other obligations issued by a port authority pursuant to this act shall not be in any way a debt or liability of the State or of any local unit or municipality.

P.L. 1948, c. 349, § 16, eff. Sept. 1, 1948.

40:68A-17. Real property; acquisition; condemnation

Every port authority is hereby empowered, in its own name but for the local unit or units, to acquire by purchase, gift, grant or devise and to take for public use real property, within or without the district, which may be deemed by the port authority necessary for its purposes. Such port authority is hereby empowered to acquire and take such real property by condemnation, in the manner provided by chapter one of Title 20, Eminent Domain, of the Revised Statutes (R.S. sec. 20:1-1 et seq.) and, to that end, may invoke and exercise in the manner of mode of procedure prescribed in said chapter, either in its own name or in the name of any local unit or units, all of the powers of such local unit or units to acquire or take property for public use.

P.L. 1948, c. 349, § 17, eff. Sept. 1, 1948.

40:68A-18. Service charge with regard to real property; interest; lien; enforcement; collection

In the event that any service charge of a port authority shall not be paid as and when due, the unpaid balance thereof and all interest at the rate of one per centum (1%) per month accrued thereon, together with attorneys' fees and costs, may be recovered by the port authority in a civil action in any court of competent jurisdiction. Any port authority shall have power to make reasonable rules and regulations for the collection and enforcement of service charges for the use of its port facilities.

P.L. 1948, c. 349, § 18, eff. Sept. 1, 1948.

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40:68A-19. Sale, lease, loan, grant or conveyance to port authority; permit

Any county, by resolution of its board of chosen freeholders, or any municipality, by ordinance of its governing body, or any other person is hereby empowered, without any referendum and without the consent of any board, officer, or other agency of the State, to sell, lease, lend, grant or convey to any port authority, or to permit any port authority to use, maintain or operate as part of the port facilities, any real or personal property owned by it, which may be necessary or useful and convenient for the purposes of the port authority and which may be accepted by the port authority. Any such sale, lease, loan, grant, conveyance or permit may be made with or without consideration and for a specified or an unlimited period of time and under any agreement and on any terms and condition which may be approved by such county, municipality or other person and which may be agreed to by the port authority in conformity with its contracts with the holders of any bonds. Subject to any such contracts with holders of bonds, the port authority may enter into and perform any and all agreements with respect to property so accepted by it, including agreements for the assumption of principal or interest or both of indebtedness of such county, municipality or other person or of any mortgage or lien existing with respect to such property or for the operation and maintenance of such property as part of the port facilities.

P.L. 1948, c. 349, § 19, eff. Sept. 1, 1948.

40:68A-20. Public bodies to pay service charges

Each county, municipality and other public body shall promptly pay to any port authority all service charges for any use of its port facilities, and shall provide for the payment thereof in the same manner as other obligations of such county, municipality or public body.

P.L. 1948, c. 349, § 20, eff. Sept. 1, 1948.

40:68A-21. Mortgage, pledge or disposal of port facilities; exemptions

Neither the port authority nor any local unit shall have power to mortgage, pledge, encumber or otherwise dispose of any part of the port facilities, except that the port authority may dispose of such part or parts thereof as may be no longer necessary for the purposes of the port authority. The provisions of this section shall be deemed to constitute a part of the contract with the holder of any bonds. All property of a port authority shall be exempt from levy and sale by virtue of an execution and no execution or other judicial process shall issue against the same nor shall any judgment against a port authority be a charge or lien upon its property; provided, that nothing herein contained shall apply to or limit the rights of the holder of any bonds to pursue any

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remedy for the enforcement of any pledge or lien given by a port authority on its revenues.

P.L. 1948, c. 349, § 21, eff. Sept. 1, 1948.

40:68A-22. Bonds as legal investments

Notwithstanding any restriction contained in any other law, the State and all public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, investment companies, savings banks and institutions, building and loan associations, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to this act, and such bonds shall be authorized security for any and all public deposits.

P.L. 1948, c. 349, § 22.

40:68A-23. Property as public property; bonds declared issued by political subdivision; bonds exempt from taxation

All port facilities and all other property of a port authority are hereby declared to be public property of a political subdivision of the State and devoted to an essential public and governmental function and purpose and shall be exempt from all taxes and special assessments of the State or any subdivision thereof. All bonds issued pursuant to this act are hereby declared to be issued by a political subdivision of this State and for an essential public and governmental purpose and to be a public instrumentality, and such bonds, and the interest thereon and the income therefrom, and all service charges, funds, revenues and other moneys pledged or available to pay or secure the payment of such bonds, or interest thereon, shall at all times be exempt from taxation except for transfer, inheritance and estate taxes.

P.L. 1948, c. 349, § 23, eff. Sept. 1, 1948.

40:68A-24. Pledge of State to bondholders

The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds issued pursuant this act that the State will not authorize or permit the construction or maintenance of any port facilities of the port authority, and will not limit or alter the rights hereby vested in the port authority to acquire, construct, maintain, reconstruct and operate its port facilities, and to fix, establish, charge and collect its service charges and to fulfill the terms of any agreement made with the holders of such bonds or other obligations, and will not in any way impair the rights or remedies of such holders, and will not modify in any way the exemptions from taxation provided for in

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this act, until such bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

P.L. 1948, c. 349, § 24, eff. Sept. 1, 1948.

40:68A-25. Banks authorized to give undertaking; deposits

All banks, bankers, trust companies, savings banks, investment companies and other persons carrying on a banking business are hereby authorized to give to any port authority a good and sufficient undertaking with such sureties as shall be approved by the port authority to the effect that such banking institution as herein before described shall faithfully keep and pay over to the order of or upon the warrant of the port authority or its authorized agent all such funds as may be deposited with it by the port authority and agreed interest thereon, at such times or upon such demands as may be agreed upon with the authority or, in lieu of such sureties, deposit with the port authority or its authorized agent or any trustee therefor or for the holders of any bonds, as collateral, such securities as the port authority may approve; provided, such securities shall consist of obligations in which public officers and bodies of the State and its municipal subdivision, savings institutions, including savings and loan associations, insurance companies and associations, executors, administrators, guardians, trustees and other fiduciaries in the State may properly and legally invest the funds within their control, in such principal amount, market value or other description as may be approved by the port authority. The deposits of the port authority may be evidenced by a depository collateral agreement in such form and upon such terms and conditions as may be agreed upon by the port authority and such bank or banking institutions.

P.L. 1948, c. 349, § 25, eff. Sept. 1, 1948.

40:68A-26. Competitive activities

After the creation of a port authority as provided herein, no municipality within the district shall have power to engage in, or grant any license or permit to any person, firm, corporation or association to engage in, any activities within such municipality which would be competitive with the purpose of the port authority as provided in this act.

The provisions of this section shall not be construed, however, to affect or impair any contracts entered into prior to the creation of a port authority.

P.L. 1948, c. 349, § 26, eff. Sept. 1, 1948.

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40:68A-27. Liberal construction; regulation of port authorities

This act shall be construed liberally to effectuate the legislative intent and as complete and independent authority for the performance of each and every act and thing herein authorized, and a port authority shall not be subject to regulation as to its service charges or as to any other matter whatsoever by any officer, board, agency, commission or other office of the State.

P.L. 1948, c. 349, § 27, eff. Sept. 1, 1948.

40:68A-28. Partial invalidity

If any section, subsection, clause or provision of this act shall be adjudged unconstitutional or to be ineffective in whole or in part, to the extent that it is not adjudged unconstitutional or is not ineffective it shall be valid and effective and no other section, subsection, clause or provision of this act shall on account thereof be deemed invalid or ineffective, and the inapplicability or invalidity of any section, subsection, clause or provision of this act in any one or more instances or under any one or more circumstances shall not be taken to affect or prejudice in any way its applicability or validity in any other instance or under any other circumstance.

P.L. 1948, c. 349, § 28, eff. Sept. 1, 1948.